

SENATE BILL 3721

By Bunch

AN ACT to amend Tennessee Code Annotated, Title 2,  
Chapter 10, Part 1, relative to campaign finances.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 2-10-110(a), is amended by adding a new subdivision thereto, as follows:

(3) "Class 3 offense" means transferring campaign funds to personal funds. A Class 3 offense is punishable by a maximum civil penalty of the amount in controversy plus not more than ten thousand dollars (\$10,000) or fifteen percent (15%) of the amount in controversy, if fifteen percent (15%) of the amount in controversy is greater than ten thousand dollars (\$10,000). Each transfer of campaign funds in violation of this subdivision shall be considered a separate offense.

(A) For state and local public offices, the registry of election finance may impose a civil penalty for any Class 3 offense; provided, that no penalty shall be imposed by the registry of election finance if a candidate transfers campaign funds to a personal account but corrects the transfer to the registry's satisfaction within ten (10) business days from the date on which the candidate made such transfer. This ten-day period shall not serve to stay the running of any time period established by this section. A candidate shall only be allowed to correct up to two (2) transfers in one (1) calendar year and the total of the transfers shall not exceed two thousand dollars (\$2,000).

(B) To request a waiver, reduction, or to in any way contest a Class 3 penalty imposed by the registry of election finance, a candidate for a state or local public office shall file a petition with the registry of election finance. Such

petition may be considered as a contested case proceeding under the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 2. Tennessee Code Annotated, Section 2-10-110(a), is amended in subdivision (2) by deleting the period at the end of the first sentence and by substituting instead the following:

, except as provided by subdivision (3) of this subsection.

SECTION 3. This act shall take effect July 1, 2008, the public welfare requiring it.